



North Carolina Department of Health and Human Services
Division of Health Service Regulation

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Governor

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

August 4, 2014

Jim Faircloth
Chief Executive Officer
Pinehurst Medical Clinic
90 Memorial Drive
Pinehurst, NC 28374

Exempt from Review – Physician Office

Provider: Pinehurst Medical Clinic, Inc.

Project Description: Relocate existing pulmonary equipment from the diagnostic center to a new physician office at 1409 Greenway Court, Sanford

County: Lee


Dear Mr. Faircloth:


In response to your letter of July 22, 2014 (Received July 29, 2014), the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and the Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

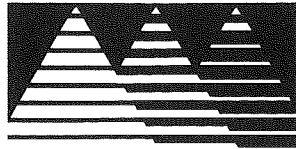
Sincerely,


F. Gene DePorter
Project Analyst


Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Chief, Construction Section, DHSR
Chief, Acute and Home Care Licensure and Certification Section, DHSR





PINEHURST MEDICAL CLINIC
INCORPORATED

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David C. Thornton, MD

July 22, 2014

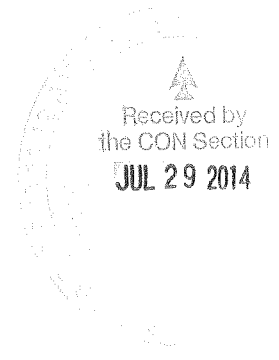
Ms. Martha Frisone
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Pinehurst Medical Clinic, Inc. Request for No Review Determination
(Lee County)

Dear Ms. Frisone:

Pinehurst Medical Clinic, Inc requests a No Review Determination from the Certificate of Need Section for a new physician office location to be established at 1409 Greenway Court in Sanford, North Carolina. This new physician office location will allow for the relocation of existing diagnostic equipment from our satellite office in Sanford, Sanford Cardiology and Pulmonology Medicine (formerly Sanford Cardiology, PLLC. Sanford Cardiology, PLLC was merged out of existence May 11, 2011 and into Pinehurst Medical Clinic, Inc.) at 110 Fields Drive, with a total capital cost of substantially less than \$500,000. The diagnostic equipment to be relocated includes the pulmonary function testing (PFT) equipment, arterial blood gas (ABG) equipment and sleep center equipment that is listed in Attachment 1 with the manufacturer, model, and original purchase costs. This equipment will be utilized at the new physician office location in support of the pulmonology practice.

Sanford Cardiology and Pulmonology at 110 Fields Drive in Sanford, NC is the current physical location of the pulmonary equipment requested to be relocated. In 2009, Sanford Cardiology, PLLC, now Pinehurst Medical Clinic, Inc. obtained Certificate of Need approval to establish a Diagnostic Center at this location with the acquisition of one 3-D ultrasound unit (CON Project ID # J-8350-09 and FID #090424). This office location at 110 Fields Drive in Sanford will continue to hold its designation as a Diagnostic Center and will continue to provide a broad range of cardiology procedures with the existing diagnostic equipment including the existing ultrasound equipment, nuclear camera, and stress test system. In summary, the pulmonary equipment will be relocated to the new physician office location at 1409 Greenway Court in Sanford, N.C. and the cardiology equipment will remain at the Diagnostic Center at 110 Fields Drive in Sanford, N.C.



www.pinehurstmedical.com

North Location
205 Page Road
Pinehurst, NC 28374
(910) 295-5511

South Location
1902-C N. Sandhills Blvd.
Aberdeen, NC 28315
(910) 692-4011

Heather Glen
15 Regional Drive
Pinehurst, NC 28374
(910) 295-5511

FirstHealth Outpatient Cancer Center
220 Page Road
Pinehurst, NC 28374
(910) 715-3500

Neese Location
102 Gossman Drive
Southern Pines, NC 28387
(910) 246-4140

Administrative Offices
90 Memorial Drive
Pinehurst, NC 28374
(910) 295-5511

Sanford Cardiology, Pulmonary and Sleep Medicine
110 Fields Drive
Sanford, NC 27330
(919) 777-9005

Sanford Medical Group
555 Carthage Street
Sanford, NC 27330
(919) 774-6518

Ms. Martha Frisone
Certificate of Need Section
July 22, 2014
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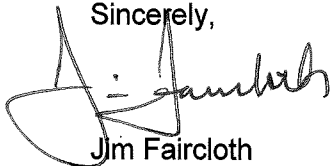
This letter provides justification and written notice regarding the development of the physician office and the relocation of diagnostic equipment in accordance with *GS 131E-184 (a) (9) To develop or acquire a physician office building regardless of cost, unless a new institutional health service other than defined in G.S. 131E-176(16)b is offered or developed in the building.*

Compliance with this exemption is documented because none of the diagnostic equipment to be relocated to 1409 Greenway Court is included in the list of equipment provided in G.S. 131E-176 (16) fl or G.S. 131E-176 (16) p. Furthermore the proposed physician office will not be considered a "Diagnostic Center" as defined in G.S. 131E-176 (7a) because the total combined cost of all the medical diagnostic equipment utilized in the physician office which costs \$10,000 or more will not exceed the \$500,000 threshold. As seen in Attachment 1, the total capital cost is based on the original purchase costs of all the equipment, plus the cost to relocate and install the equipment plus all activities required to make the equipment operational.

Pinehurst Medical Clinic plans to occupy the new office location and relocate the equipment in August 2014. Please provide written confirmation that the proposed development of the new physician office at 1409 Greenway Court in Sanford, which includes the relocation of specified diagnostic equipment, is exempt from Certificate of Need review. If you have any questions or need additional information please call me at (910) 235-3002.

Thank you for your consideration of this request.

Sincerely,



Jim Faircloth
Chief Executive Officer

ATTACHMENT 1.

CAPITAL COSTS

<u>Equipment Descriptions</u>	<u>Original Purchase Cost</u>
<i>PFT Equipment Manufacturer / Model</i>	
VMAX ENCORE 229C, CARDIO V6.51 Cam 14 w/USB Instrument Assay V62J Autobox	\$ 64,669.17 inc above
VIASPRINT 150 P ANALOG ERGOMETER	\$ 5,038.60
Nonin Pulse Oximeter	\$ 1,485.00
<i>ABG Equipment Manufacturer / Model</i>	
GEM PREM 3000/GEM OPL SYSTEM W/ADAPTER	\$ 16,048.65
<i>Sleep Lab Equipment Manufacturer / Model</i>	
2 Neuro BW3 Sleep Sysstem PCs with amps and head boxes	\$ 68,920.88
2 Neuro BW2 Sleep Sysstem PCs with amps and head boxes	inc above
4 Louroe Audio monitoring systems	inc above
4 Video Cameras	inc above
<i>Other Diagnostic Equipment over \$10,000</i>	
None	-
Diagnostic Equipment Subtotal	\$ 156,162.30
<u>Additional Capital Costs for Diagnostic Equipment</u>	
	<u>Costs</u>
Equipment Relocation estimate per quote	\$ 900.00
Architect and Consulting Costs	\$ -
Equipment Installation Costs	\$ -
Other Costs, Taxes	\$ -
Additional Capital Costs subotal	\$ 900.00
Total Combined Capital Costs	\$ 157,062.30